

Subject: Non-RFP Audit Report Review

If you are currently completing an audit of a fiscal court, county sheriff, or county clerk that the Auditor of Public Accounts (APA) has declined to complete under **KRS 64.810, (1) (a)**, which states ***any fiscal court, county clerk, or sheriff may employ a certified public accountant to audit the books, accounts, and papers of the county or his office in lieu of the audit conducted by the State Auditor of Public Accounts required by KRS 43.070, if the Auditor of Public Accounts declines to perform the audit or has failed to respond to written notice of intent to employ a certified public accountant within thirty (30) days of receipt of the notice***, or if you intend to complete a non-RFP audit of the above referenced entities in the future, this letter serves to inform you of the APA policy concerning audit report reviews conducted in our Frankfort office. Please note the initial review process has not changed. A representative of the APA will come to your office and will complete a review of your working papers for proper adherence to standards and the APA Audit Guide. At this time, an initial review of your audit report will also be completed. Once the APA representative completes his or her review, your audit report will be forwarded to our Frankfort office for a final review. Upon completion of this final review, one of the following three letters will be sent to your firm:

1. A release letter stating adherence to professional standards has been met and approval to release the audit report is granted.
2. A release letter stating we have reviewed your audit report and supporting working papers and find the above referenced audit to be in substantial compliance with professional standards. Enclosed will be a copy of your audit report with suggested annotated changes. Please note these are recommended changes; the final decision to incorporate these changes rests with you since compliance with professional standards is ultimately your firm's responsibility and these audits are subject to your peer review. Once you determine which, if any, changes you plan to make, the final report can be released without further APA review.
3. A letter stating a review cannot be completed at this time because of significant issues identified during the audit report review and you are advised to contact this office about these issues for proper resolution.

We believe this change in our policy will expedite the review process and subsequent release of your audit report, which will benefit not only your firm but also more importantly, the local government entity whose audit you've been entrusted to complete. Should you have any questions, please contact Alicia Boyd, CPA at (502) 573-0050 ext. 274 or by email at alicia.boyd@auditor.ky.gov or me.

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